

Division of Behavioral Health Services

Bureau of Compliance

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TO: RBHA and TRBHA CEOs and Clinical Leadership

**FROM: Eddy Broadway
Deputy Director**

**Dan Wendt
Division Chief, Bureau of Compliance**

SUBJECT: POLICY CLARIFICATION: MEDICARE PART D

DATE: December 23, 2005

This Policy Clarification is intended to clarify issues regarding the use of state funds for prescription drug coverage and cost sharing under Medicare Part D effective on January 1, 2006.

Cost sharing for persons enrolled in a Medicare Advantage Plan

The Arizona Health Care Cost Containment System (AHCCCS) is currently revising their policy on the payment of Medicare cost sharing for services received outside of the Contractors' (T/RBHA) network. This change will require that the T/RBHAs pay any Medicare cost sharing for dual eligible persons determined to have a Serious Mental Illness (SMI), regardless of who provided the Medicare service (i.e., in or out-of-network provider). Title XIX funding will be available to pay the cost sharing of Medicare Parts A and B for Title XIX eligible persons. Medicare Part D cost sharing for Title XIX eligible and Non-Title XIX Medicare eligible persons determined to have a SMI will be reimbursed with state funds. This change will be described in the ADHS/DBHS Provider Manual Section 3.5, Third Party Liability and Coordination of Benefits and Section 3.21, Service Prioritization for Non-Title XIX/XXI Funding.

Ensuring medication coverage for persons determined to have a serious mental illness

The Department would like to clarify that persons determined to have a SMI, both dual eligibles and Non-Title XIX Medicare eligible persons, must maintain access to needed behavioral health medications as required by 9 AAC 21. **Therefore, if a person determined to have a SMI is denied coverage of a behavioral health medication through his/her assigned Medicare Part D plan for any reason, the T/RBHA must ensure the provision of the behavioral health medication(s).** In these cases, state-only funds are available to cover the costs of the medication.

Coverage of Medicare Part D premiums

The Department intends for the T/RBHAs to use state funds to cover the Medicare Part D premium for dual eligibles and Non-Title XIX Medicare eligible persons with a SMI who may be in jeopardy of losing Part D coverage due to the person's inability to pay the premium or a portion of the premium. The T/RBHAs must manage the use of state funds to cover Part D premiums and may establish a limit to the amount that can be paid for a recipient each month. The premium must be paid to the Part D plan and not directly to the person.